

Message Text

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PAGE 01 BUJUMB 00379 120641Z

ACTION EB-08

INFO OCT-01 AF-10 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04

ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 XMB-04

/098 W

-----120642Z 032314 /21

R 120555Z APR 77

FM AMEMBASSY BUJUMBURA

TO SECSTATE WASHDC 6105

UNCLAS BUJUMBURA 0379

E.O. 11652: N/A

TAGS: ETRD, BY

SUBJECT: GSP: FIRST YEAR REVIEW

REF: STATE 67507

1. GSP HAS BEEN ONLY OF MARGINAL BENEFIT TO BURUNDI BECAUSE THE EXPORTS WHICH COULD BENEFIT FROM GSP AND WHICH ARE SENT TO THE U.S. ACCOUNT FOR MUCH LESS THAN ONE PERCENT OF BURUNDI'S TOTAL EXPORTS. EIGHTY-SIX PERCENT OF THE TOTAL FOREIGN EXCHANGE EARNINGS FROM TRADE IS DERIVED FROM COFFEE EXPORTS, AND DUTY-FREE COFFEE MAKES UP 99 PERCENT OF U.S. IMPORTS FROM BURUNDI.

2. TO BE SURE, THE STATISTICS SENT TO BUJUMBURA INDICATE THAT NON-COFFEE EXPORTS THOUGH ONLY 53,000 DOLLARS, WERE STILL 40 TIMES GREATER DURING THE SYSTEM'S FIRST YEAR OF IMPLEMENTATION THAN IN 1975. YET, THE EMBASSY BELIEVES IT IS TOO EARLY TO ATTRIBUTE THIS RISE TO THE PREFERENCE SYSTEM SINCE MOST OF THE EXPORTERS WHO MIGHT BENEFIT FROM IT ARE IGNORANT OF ITS WORKINGS, AND THOSE WHO ARE KNOWLEDGEABLE MAY CONSIDER THE EXTRA PAPER WORK ASSOCIATED WITH THE GSP NOT WORTHWHILE, GIVEN THE PREVAILING LOW TARIFFS.

3. ALTHOUGH THE PREFERENTIAL AGREEMENTS WORKED OUT BY OUR EUROPEAN UNCLASSIFIED

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PAGE 02 BUJUMB 00379 120641Z

COMPETITORS AT LOME ARE NOW OF MUCH MORE IMPORTANCE TO BURUNDI THAN IS THE AMERICAN GSP SYSTEM, THIS IS NOT TO SAY THAT THE GSP MAY NOT BE OF MINOR CONSEQUENCE IN THE FUTURE. BURUNDI'S DESIRE TO DIVERSIFY ITS EXPORT PRODUCTS AND MARKETS, COUPLED WITH EMBASSY DISSEMINATION OF INFORMATION ON THE GSP, MAY EVENTUALLY MAKE GSP MORE MEANINGFUL TO BURUNDI, PROVIDED BURUNDI COMES TO PRODUCE A SIGNIFICANT QUANTITY OF THE RELEVANT EXPORTS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, GENERALIZED PREFERENCES (TARIFFS)
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BUJUMB00379
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770126-0217
Format: TEL
From: BUJUMBURA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770467/aaaacgdx.tel
Line Count: 63
Litigation Code IDs:
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Office: ACTION EB
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Review Content Flags:
Review Date: 19-Oct-2004 12:00:00 am
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SAS ID: 2836210
Secure: OPEN
Status: NATIVE
Subject: GSP: FIRST YEAR REVIEW
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